

MINUTE ITEM

8. (PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W. O. 2718(E), P.R.C. 2207.1.)

After presentation of Calendar Item 5 (First Session) attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE AN OIL AND GAS LEASE TO PHILLIPS PETROLEUM, EDWIN W. PAULEY, ET AL. (SEE EXHIBIT "A" ATTACHED FOR COMPLETE LIST OF BIDDERS), JOINT BIDDERS, WHO SUBMITTED THE HIGHEST QUALIFIED BID, FOR THE 3,840-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS PARCEL "E", IN SANTA BARBARA COUNTY, AS DETAILED IN THE PUBLISHED NOTICE OF INTENTION UNDER WORK ORDER 2718(E), PUBLISHED APRIL 28 AND MAY 5, 1958, THE CASH BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE TO BE \$5,100,000.00, AS OFFERED IN THE JOINT BID. PURSUANT TO THE AWARD OF LEASE, THE JOINT BIDDERS SHALL DESIGNATE A LEASE OPERATOR WHO WILL BE FULLY RESPONSIBLE FOR PERFORMANCE UNDER THE TERMS OF THE LEASE ISSUED.

Attachment

Calendar Item 5 (First Session) (3 pages)

CALENDAR ITEM

OIL & GAS

5.

(PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W. O. 2718(E).)

On June 27, 1958 five bids were received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for the extraction of oil and gas from 3,840 acres of tide and submerged lands designated as Parcel "E", Santa Barbara County. Publication of this offer was authorized by the Commission April 14, 1958 (Minute page 4003). The combined bid-lease form was approved by the office of the Attorney General prior to the lease offer as to compliance with applicable statutes and rules and regulations.

The bid-lease form was authorized for use by the State Lands Commission April 14, 1958 (Minute page 4003). The office of the Attorney General has reviewed the highest bid--a joint bid of Phillips Petroleum, Edwin W. Pauley, et al. (see Exhibit "A" attached for complete list of bidders)--for award of said lease, and has advised that the State Lands Commission, in its discretion, may award the Lease No. W. O. 2718(E) to the Phillips Petroleum Company, Edwin W. Pauley, et al. group as the highest qualified bidder.

A summary tabulation of the bonus payment offers received pursuant to the lease proposal is attached.

IT IS RECOMMENDED THAT, IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO PHILLIPS PETROLEUM, EDWIN W. PAULEY, ET AL. (SEE EXHIBIT "A" ATTACHED FOR COMPLETE LIST OF BIDDERS), JOINT BIDDERS, WHO SUBMITTED THE HIGHEST QUALIFIED BID, FOR THE 3,840-ACRE PARCEL OF TIDE AND SUBMERGED LANDS DESIGNATED AS PARCEL "E", IN SANTA BARBARA COUNTY, AS DETAILED IN THE PUBLISHED NOTICE OF INTENTION UNDER WORK ORDER 2718(E), PUBLISHED APRIL 28 AND MAY 5, 1958, THE CASH BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE TO BE \$5,100,000.00, AS OFFERED IN THE JOINT BID. THE AWARD OF LEASE IS TO BE SUBJECT TO THE DESIGNATION BY THE JOINT BIDDERS OF A LEASE OPERATOR TO BE FULLY RESPONSIBLE FOR PERFORMANCE UNDER THE TERMS OF THE LEASE TO BE ISSUED.

Attachments

Summary
Exhibit "A"

SUMMARY

W. O. 2718(E)

Bidder

Cash Bonus Offer

Phillips Petroleum Company,
Edwin W. Pauley, et al.
(See Exhibit "A" attached for complete list
of bidders.)

\$5,100,000.00

Monterey Oil Company

4,100,000.00

Tidewater Oil Company, and
United Carbon Company, Inc. of Maryland

2,812,345.80

Standard Oil Company of California, and
Humble Oil & Refining Company

1,351,135.90

Shell Oil Company

603,789.99

EXHIBIT "A"

Phillips Petroleum Company, a Delaware Corporation; Edwin W. Pauley, an Individual; Pauley Pan American Petroleum Company, a Delaware Corporation; Pauley California Tidelands, Inc., a Delaware Corporation; Kerr-McGee Oil Industries, Inc., a Delaware Corporation; Austral Oil Exploration Company Incorporated, a Delaware Corporation; Joseph E. Seagram & Sons, Inc., an Indiana Corporation; Union Oil and Gas Corporation of Louisiana, a Delaware Corporation; Caulkins Oil Company, an Oklahoma Corporation; Orwaca Land Company, a Washington Corporation; The Tecolote Company, a Nebraska Corporation; Edward W. Carter, an Individual; Lawton W. Langdon, an Individual; Kenneth T. Norris, an Individual; Warren H. Crowell, an Individual; Calvin P. Bentley, an Individual; George P. Caulkins, Jr., an Individual; Roy D. Chapin, Jr., an Individual; Mary-Joe FitzSimons, an Individual; Josephine F. Ford, an Individual; Sara Ann Chapin Hassan, an Individual; Hugo S. Higbie, an Individual; Barbara A. T. Lord, an Individual; Allen Shelden, III, an Individual; W. Warren Shelden, an Individual; John S. Hilson, an Individual; Arnold E. Raether, an Individual; Vera Borrow Ten Eyck, an Individual; Harold Boeschenstein, an Individual; Daniel Chapin, an Individual; Arthur O. Dietz, an Individual; Benson Ford, an Individual; William Clay Ford, an Individual; Harley G. Higbie, Jr., an Individual; Ernest Kanzler, an Individual; Henry Scarborough, an Individual; Elizabeth Warren Shelden, an Individual; Ethel duPont Warren, an Individual; Keith L. Brown, an Individual; Arthur F. Holland, an Individual; Alfred Charles Freligh, an Individual; Lawrence M. Arnold, an Individual.